Contract Farming

1086. SHRI SURESH KALMADI : Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state :

(a) whether Government have launched a scheme of contract farming between the processors and the farmers; and

(b) if so, what are the salient features of the scheme ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI TARUN GOGOI) : (a) Yes, Sir.

(b) The Ministry of Food Processing Industries is implementing a scheme during the Eighth Plan period for strengthening backward linkages for the Fruit & Vegetable Processing Industry by encouraging them to undertake contract farming by providing inputs to the farmer thus enabling better yield and remunerative price to the farmer on the one hand and regular supply of raw materials of the desired type to the industry on the other. Assistance in the form of grant is provided under the scheme as reimbursement of part of extension cost at the end of the year. The applicants are required to submit the relevant documents duly certified by the concerned District Agriculture/Horticulture Officer. The ingredients of the scheme are as under :—

(a) The organisation seeking assistance under the scheme must have contracts with at least 25 farmers.

(b) It must specify the contracted produce, the price of each produce and the minimum annual quantity to be purchased.

(c) Financial assistance upto 5% of the purchase price subject to a ceiling of Rs. 10 lakhs per unit/organisation will be available as a grant-in-aid.

(d) In case of a new unit, in the first two years of commercial production the assistance would be upto 50% of the cost of extension subject to a ceiling of Rs. 5 lakhs.

Setting up of Development Council for Food processing

1087. SHRI KAMAL MORARKA : Will the Minister of FOOD PROCESSING be pleased to state :

(a) whether Government propose to set up a Development Council for Food Processing;

(b) if so, what are the modalities finalised;

(c) what is the Constitution of the Council; and

(d) by when, it is likely to be constituted ?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI TARUN GOGOI) : (a) to (d) Yes, Sir. Action has been initiated to constitute two Development Councils under Industrial Development & Regulation Act, namely, Development Council for processed fruits and other foods, and Development Council for milk food and other processed food products covering all scheduled items concerning the Ministry with 25 members (including the Chairman) each under the Chairmanship of the Secretary, Food Processing Industries. The members of the Council will consist of government officers, industry representatives, manufacturers' associations, experts and other related organisations etc.